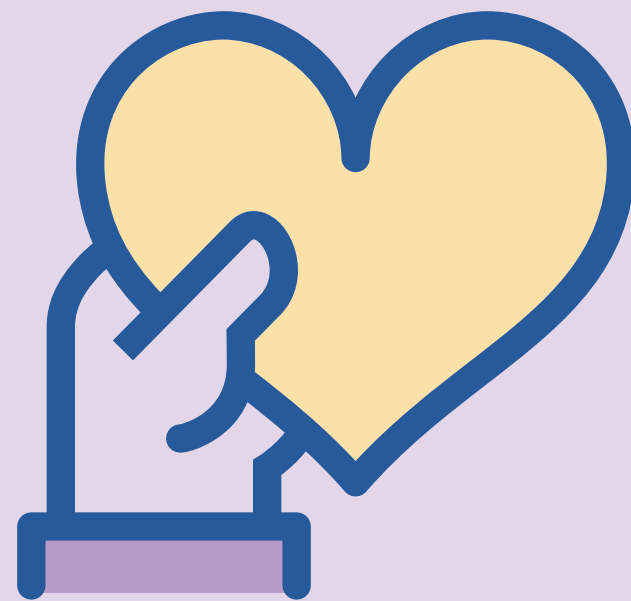




# Future foundations for giving

**Philanthropy makes an important contribution to our way of life**



It **brings communities together, funds innovation** and **supports people in need.**



The proposed reforms would establish firm foundations for the future of philanthropy, so that the benefits of giving can continue to be realised across Australia.

# Future foundations for giving

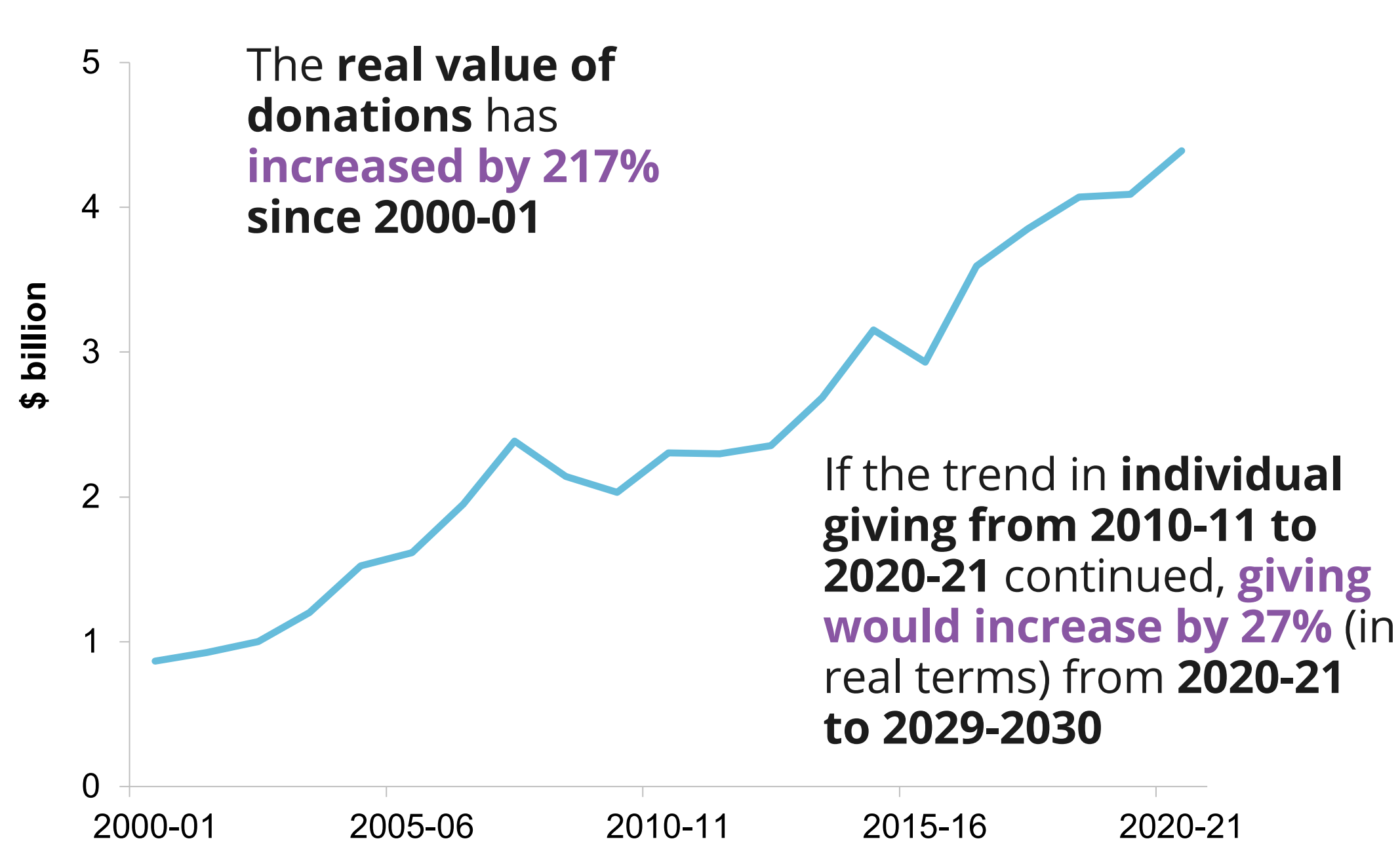
Giving in Australia is going up



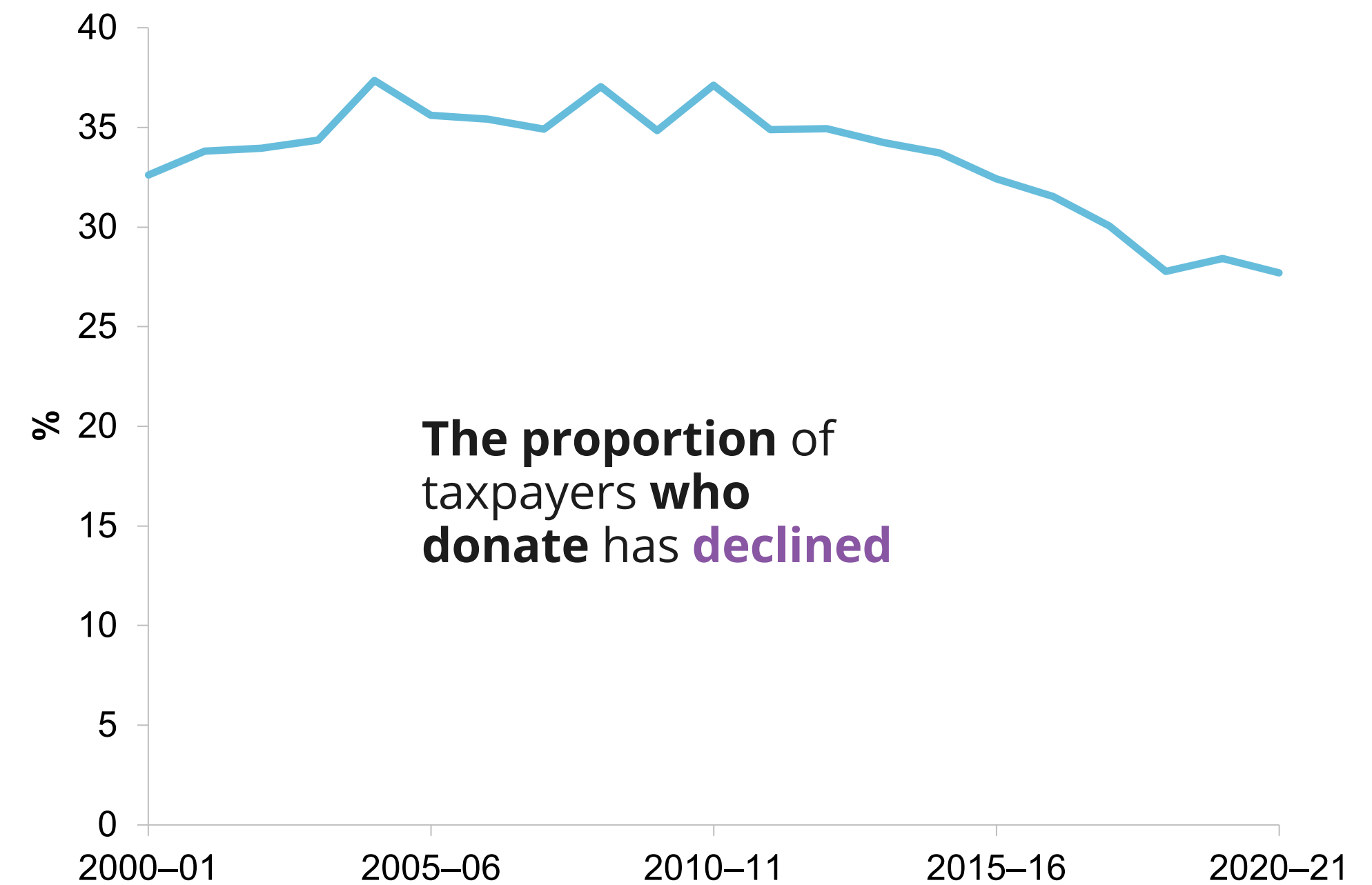
The number of people giving is going down



## Value of tax-deductible donations

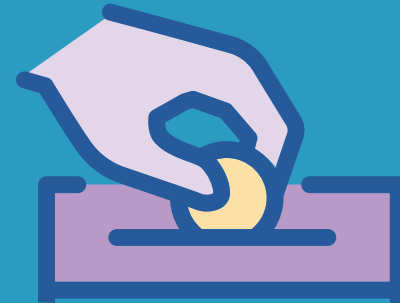


## Proportion of taxpayers who donated



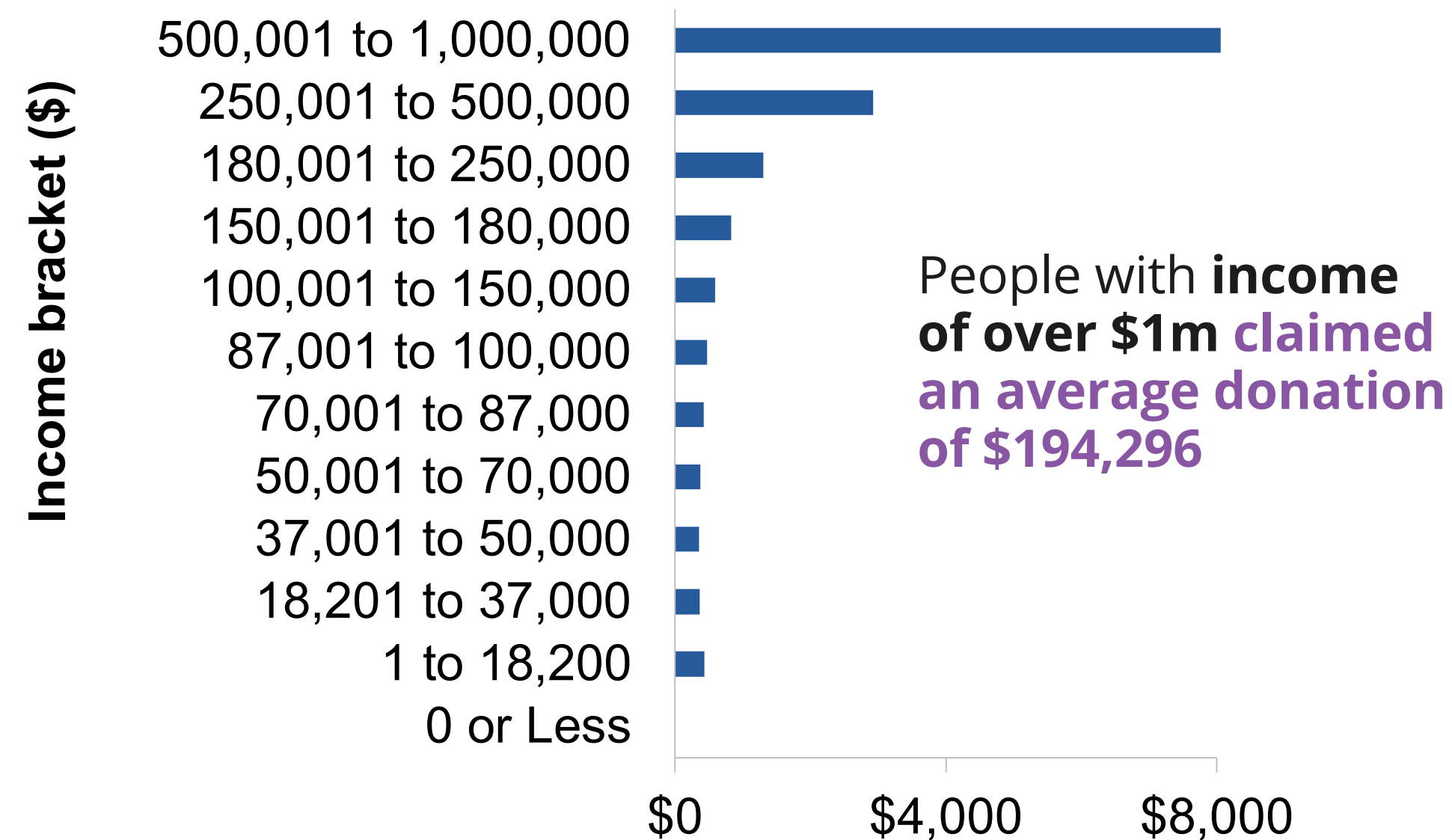
# Future foundations for giving

The average donation has become larger

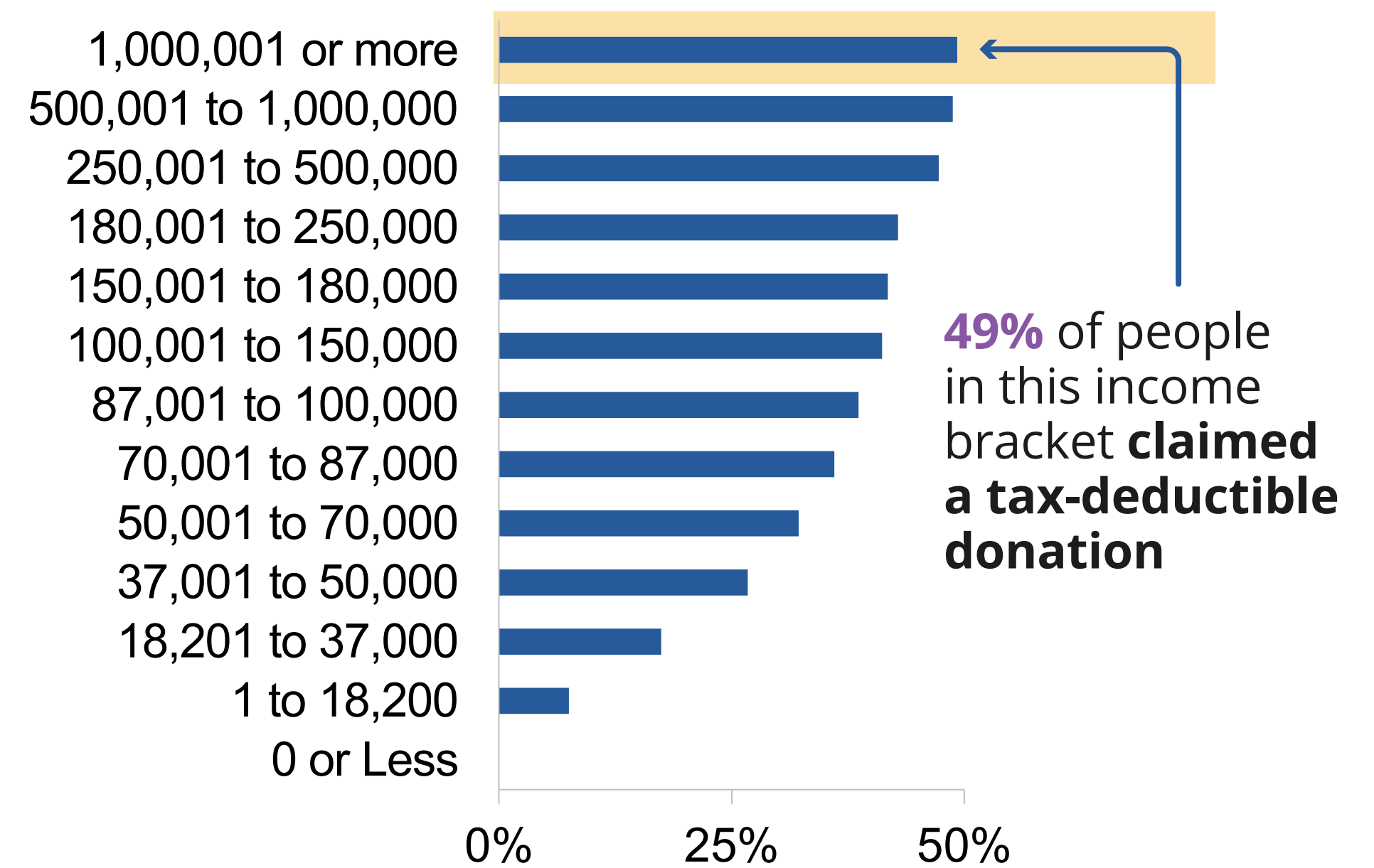


Tax-deductible giving is largely driven by high income earners

### Value of tax-deductible donations



### Taxpayers who claimed a deduction



# Future foundations for giving

**A tax deduction is likely to be the most cost-effective way for the Government to incentivise giving**

If a taxpayer gives **\$100** ...

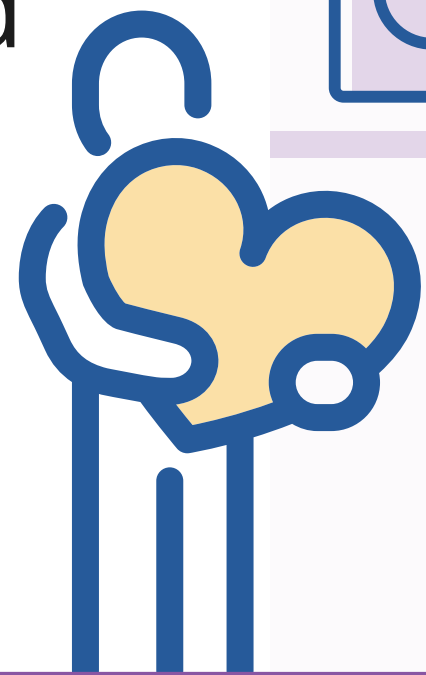






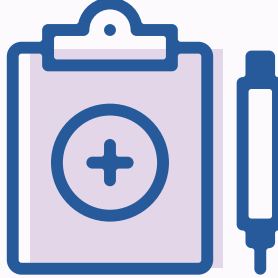
... a **1% decrease** in the price of giving is associated with an **increase of giving between 87 and 92 cents\***

\*based on preliminary estimates with all other factors held equal

# Future foundations for giving

The arrangements that determine which charities can access deductible gift recipient (DGR) status are not fit-for-purpose – they are **poorly designed, overly complex** and have **no coherent policy rationale**



Current eligibility for DGR status	
 <b>Mostly eligible</b>	 <b>Often ineligible</b>
 Charities that <b>support care</b> for animals	Charities that <b>advocate</b> for animal protection
 Charities that focus on <b>relieving poverty</b> or helping a <b>particular group</b> of people in need	Charities that focus on <b>preventing poverty</b> or <b>general</b> community wellbeing
 Charities that promote the <b>prevention or control of diseases</b>	Charities that promote the <b>prevention of injuries</b>
	Charities that support groups of people like <b>women, Aboriginal and Torres Strait Islander people, or LGBTQIA+ people</b>



# Future foundations for giving

## A simple, transparent and fair DGR system







We are proposing a **principles-based approach** to develop a **simple, transparent and fair system** for determining which charities can receive **tax-deductible donations** that will refocus donations towards activities that provide the **greatest net benefits to the community as a whole**



# Future foundations for giving

## Our proposals would have the following outcomes

**Download factsheet:**  
Proposed reforms to the deductible gift recipient system

The status quo is maintained for...	Changes to DGR status for...
<p>Charities <b>retaining</b> DGR status</p>  <p>Most charities that currently <b>do</b> have DGR status, such as public benevolent institutions and health promotion charities</p>	<p>Charities <b>gaining</b> DGR status</p>  <p>Charities that currently <b>do not</b> have DGR status, such as those focused on advocacy and prevention</p>
<p>Charities <b>not gaining</b> DGR status</p>  <p>Charities undertaking activities including advancing religion and advancing industry</p>	<p>Charities with <b>DGR status withdrawn</b></p>  <p>Mainly charities that have DGR status for school building funds</p>

# Future foundations for giving

Changes to the DGR system are part of three reform pillars

## Reform the DGR system

- Reform policies that determine which charities can receive tax-deductible donations
- Help donors direct support to where there is likely to be the greatest net benefits

## Strengthen the regulatory system

- Enhance the Australian Charities and Not-for-profits Commission's powers and create regulatory architecture
- Improve coordination and information sharing among regulators

## Improve public information and enhance access to philanthropy

- Improve public information on charities and giving
- Support the establishment of an Aboriginal and Torres Strait Islander philanthropic foundation



# Future foundations for giving

We are also proposing an independent philanthropic foundation led by Aboriginal and Torres Strait Islander people to **strengthen their capacity to access philanthropy ...**



“ The stories and experiences shared with us have shaped a proposal for the establishment of an Aboriginal and Torres Strait Islander philanthropic foundation, to facilitate new partnerships with philanthropy that further the goals and aspirations of Aboriginal and Torres Strait Islander communities. ”

**Deputy Chair**  
**Alex Robson**

# Future foundations for giving

“

Governments should consider how changes to policies and programs affect volunteers. This includes adopting measures that may mitigate any adverse effects on volunteer participation and identifying opportunities for volunteers as part of policy or program design.

”

**Commissioner  
Julie Abramson**



# Future foundations for giving

... And reforms to make information on charities and giving **more accessible to donors and the wider public.**



“

The design of the Australian Charities and Not-for-profits Commission charity register should be shaped by the needs of donors, helping ensure it's a useful tool for guiding their giving decisions.

”

**Associate Commissioner  
Krystian Seibert**